

E - Education Cabinet

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E - Education Cabinet**Operating Budget****Summary Totals**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	House Budget	Difference	Bill as Introduced	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	281,303,200	281,303,200		311,982,600	317,409,400	5,426,800
Restricted Funds	48,579,000	48,579,000		46,681,900	46,981,900	300,000
Federal Funds	874,479,000	874,479,000		877,097,800	877,097,800	
Regular Total Funds	1,204,361,200	1,204,361,200		1,235,762,300	1,241,489,100	5,726,800
Continuing	842,400	842,400				
TOTAL FUNDS	1,205,203,600	1,205,203,600		1,235,762,300	1,241,489,100	5,726,800

II. EXPENDITURE CATEGORY

Personnel Costs	145,760,000	145,760,000		146,430,300	146,430,300	
Operating Expenses	43,782,400	43,782,400		43,123,600	43,123,600	
Grants, Loans, Benefits	922,616,800	922,616,800		941,845,500	946,695,100	4,849,600
Debt Service	91,000,000	91,000,000		102,705,000	103,582,200	877,200
Capital Outlay	2,044,400	2,044,400		1,657,900	1,657,900	
TOTAL EXPENDITURES	1,205,203,600	1,205,203,600		1,235,762,300	1,241,489,100	5,726,800

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund	281,303,200	281,303,200		311,982,600	311,982,600	
Restricted Funds	48,579,000	48,579,000		46,681,900	46,981,900	300,000
Federal Funds	874,479,000	874,479,000		877,097,800	877,097,800	
Regular Total Funds	1,204,361,200	1,204,361,200		1,235,762,300	1,236,062,300	300,000
Continuing	842,400	842,400				
TOTAL BASE LEVEL	1,205,203,600	1,205,203,600		1,235,762,300	1,236,062,300	300,000

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund					5,426,800	5,426,800
TOTAL ADDITIONAL					5,426,800	5,426,800

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E - Education Cabinet**Capital Budget****Summary Totals**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	House Budget	Difference	Bill as Introduced	House Budget	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
Restricted Funds				2,000,000	2,000,000	
Federal Funds						
Bond Funds	70,055,000	80,451,300	10,396,300			
Investment Income	495,000	495,000		560,000	560,000	
TOTAL CAPITAL	70,550,000	80,946,300	10,396,300	2,560,000	2,560,000	

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E - Education Cabinet**Operating Budget****General Administration and Program Support**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	House Budget	Difference	Bill as Introduced	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	4,022,600	4,022,600		4,264,200	4,264,200	
Restricted Funds	5,727,200	5,727,200		5,727,200	5,727,200	
Federal Funds	185,000	185,000		190,000	190,000	
Regular Total Funds	9,934,800	9,934,800		10,181,400	10,181,400	
Continuing						
TOTAL FUNDS	9,934,800	9,934,800		10,181,400	10,181,400	
II. EXPENDITURE CATEGORY						
Personnel Costs	6,425,200	6,425,200		6,190,200	6,190,200	
Operating Expenses	1,591,800	1,591,800		1,602,600	1,602,600	
Grants, Loans, Benefits	1,917,800	1,917,800		2,388,600	2,388,600	
TOTAL EXPENDITURES	9,934,800	9,934,800		10,181,400	10,181,400	
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	4,022,600	4,022,600		4,264,200	4,264,200	
Restricted Funds	5,727,200	5,727,200		5,727,200	5,727,200	
Federal Funds	185,000	185,000		190,000	190,000	
Regular Total Funds	9,934,800	9,934,800		10,181,400	10,181,400	
Continuing						
TOTAL BASE LEVEL	9,934,800	9,934,800		10,181,400	10,181,400	

**Fiscal Biennium 2004-2006
Budget Modification Report**

02/20/05 10:16 AM

General Administration and Program Support

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs:

"Governor's Scholars Program: Included in the above General Fund appropriation is \$1,897,800 in fiscal year 2004-2005 and \$1,939,400 in fiscal year 2005-2006 for the Governor's Scholars Program, of which \$1,647,700 in fiscal year 2004-2005 and \$1,684,100 in fiscal year 2005-2006 is for grant amounts."

HOUSE REPORT

The House concurs with the Bill as Introduced.

E - Education Cabinet**Capital Budget****General Administration and Program Support**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	House Budget	Difference	Bill as Introduced	House Budget	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
Investment Income	395,000	395,000		460,000	460,000	
TOTAL CAPITAL	395,000	395,000		460,000	460,000	
II. CAPITAL PROJECTS						
1 Guaranteed Energy Savings Project						
PRJEDUC						
General Fund						
Project Total						
2 Maintenance Pool						
PRJEDUC1098						
Investment Income	395,000	395,000		460,000	460,000	
Project Total	395,000	395,000		460,000	460,000	
TOTAL CAPITAL	395,000	395,000		460,000	460,000	

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E - Education Cabinet**Operating Budget****Deaf and Hard of Hearing**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	House Budget	Difference	Bill as Introduced	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	821,100	821,100		821,100	821,100	
Restricted Funds	292,200	292,200		252,000	252,000	
Regular Total Funds	1,113,300	1,113,300		1,073,100	1,073,100	
Continuing						
TOTAL FUNDS	1,113,300	1,113,300		1,073,100	1,073,100	
II. EXPENDITURE CATEGORY						
Personnel Costs	766,600	766,600		752,900	752,900	
Operating Expenses	346,700	346,700		320,200	320,200	
TOTAL EXPENDITURES	1,113,300	1,113,300		1,073,100	1,073,100	
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	821,100	821,100		821,100	821,100	
Restricted Funds	292,200	292,200		252,000	252,000	
Regular Total Funds	1,113,300	1,113,300		1,073,100	1,073,100	
Continuing						
TOTAL BASE LEVEL	1,113,300	1,113,300		1,073,100	1,073,100	

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Deaf and Hard of Hearing

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Communications Equipment: Included in the above Restricted Funds appropriation for the Commission on the Deaf and Hard of Hearing is \$35,000 in fiscal year 2004-2005 for distribution of communications equipment to hard-of-hearing constituents."

HOUSE REPORT

The House concurs with the Bill as Introduced with the following change:

The House revises the State/Executive Branch Budget Bill, Part I, Operating Budget, as follows

"Communications Equipment: Included in the above Restricted Funds appropriation is \$35,000 in fiscal year 2004-2005 for distribution of communications equipment to hard-of-hearing constituents."

E - Education Cabinet**Operating Budget****Kentucky Educational Television**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	House Budget	Difference	Bill as Introduced	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	14,145,200	14,145,200		14,194,200	14,194,200	
Restricted Funds	1,500,000	1,500,000		1,075,700	1,075,700	
Federal Funds	700,000	700,000		700,000	700,000	
Regular Total Funds	16,345,200	16,345,200		15,969,900	15,969,900	
Continuing						
TOTAL FUNDS	16,345,200	16,345,200		15,969,900	15,969,900	
II. EXPENDITURE CATEGORY						
Personnel Costs	9,309,400	9,309,400		9,593,200	9,593,200	
Operating Expenses	5,352,400	5,352,400		4,987,000	4,987,000	
Grants, Loans, Benefits	440,700	440,700		440,700	440,700	
Debt Service				49,000	49,000	
Capital Outlay	1,242,700	1,242,700		900,000	900,000	
TOTAL EXPENDITURES	16,345,200	16,345,200		15,969,900	15,969,900	
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	14,145,200	14,145,200		14,194,200	14,194,200	
Restricted Funds	1,500,000	1,500,000		1,075,700	1,075,700	
Federal Funds	700,000	700,000		700,000	700,000	
Regular Total Funds	16,345,200	16,345,200		15,969,900	15,969,900	
Continuing						
TOTAL BASE LEVEL	16,345,200	16,345,200		15,969,900	15,969,900	

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Kentucky Educational Television

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs:

"Debt Service: Included in the above General Fund appropriation is \$49,000 in fiscal year 2005-2006 for debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

HOUSE REPORT

The House concurs with the Bill as Introduced.

E - Education Cabinet**Capital Budget****Kentucky Educational Television**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	House Budget	Difference	Bill as Introduced	House Budget	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
Bond Funds	1,000,000	1,000,000				
Investment Income	100,000	100,000		100,000	100,000	
TOTAL CAPITAL	1,100,000	1,100,000		100,000	100,000	
II. CAPITAL PROJECTS						
1	Replace Roof at Network Center					
PRJ5450116						
Bond Funds	1,000,000	1,000,000				
Project Total	1,000,000	1,000,000				
2	Maintenance Pool					
PRJ5450118						
Investment Income	100,000	100,000		100,000	100,000	
Project Total	100,000	100,000		100,000	100,000	
TOTAL CAPITAL	1,100,000	1,100,000		100,000	100,000	

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E - Education Cabinet**Operating Budget****Environmental Education Council**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	House Budget	Difference	Bill as Introduced	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
Restricted Funds	342,600	342,600		187,200	187,200	
Regular Total Funds	342,600	342,600		187,200	187,200	
Continuing						
TOTAL FUNDS	342,600	342,600		187,200	187,200	
II. EXPENDITURE CATEGORY						
Personnel Costs	112,600	112,600		114,800	114,800	
Operating Expenses	44,200	44,200		37,600	37,600	
Grants, Loans, Benefits	185,800	185,800		34,800	34,800	
TOTAL EXPENDITURES	342,600	342,600		187,200	187,200	
III. BASE LEVEL BUDGET BY FUND SOURCE						
Restricted Funds	342,600	342,600		187,200	187,200	
Regular Total Funds	342,600	342,600		187,200	187,200	
Continuing						
TOTAL BASE LEVEL	342,600	342,600		187,200	187,200	

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Environmental Education Council

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs:

"Environmental Education Master Plan: Included in the above Restricted Funds appropriation for the Environmental Education Council is \$155,400 in fiscal year 2004-2005 for execution of its Environmental Education Master Plan pursuant to KRS 224.43-505(2)(b)."

HOUSE REPORT

The House concurs with the Bill as Introduced with the following change:

The House revises the State/Executive Branch Budget Bill, Part I, Operating Budget, as follows

"Environmental Education Master Plan: Included in the above Restricted Funds appropriation is \$155,400 in fiscal year 2004-2005 for execution of its Environmental Education Master Plan pursuant to KRS 224.43-505(2)(b)."

E - Education Cabinet

Operating Budget

Libraries and Archives Summary

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	House Budget	Difference	Bill as Introduced	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	13,219,500	13,219,500		13,219,500	13,219,500	
Restricted Funds	1,836,600	1,836,600		1,905,200	1,905,200	
Federal Funds	2,774,100	2,774,100		2,379,300	2,379,300	
Regular Total Funds	17,830,200	17,830,200		17,504,000	17,504,000	
Continuing						
TOTAL FUNDS	17,830,200	17,830,200		17,504,000	17,504,000	
II. EXPENDITURE CATEGORY						
Personnel Costs	6,891,100	6,891,100		7,083,600	7,083,600	
Operating Expenses	3,618,100	3,618,100		3,646,000	3,646,000	
Grants, Loans, Benefits	7,281,000	7,281,000		6,734,400	6,734,400	
Capital Outlay	40,000	40,000		40,000	40,000	
TOTAL EXPENDITURES	17,830,200	17,830,200		17,504,000	17,504,000	
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	13,219,500	13,219,500		13,219,500	13,219,500	
Restricted Funds	1,836,600	1,836,600		1,905,200	1,905,200	
Federal Funds	2,774,100	2,774,100		2,379,300	2,379,300	
Regular Total Funds	17,830,200	17,830,200		17,504,000	17,504,000	
Continuing						
TOTAL BASE LEVEL	17,830,200	17,830,200		17,504,000	17,504,000	

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E - Education Cabinet**Operating Budget****Libraries and Archives - General Operations**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	House Budget	Difference	Bill as Introduced	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	6,722,000	6,722,000		6,868,600	6,868,600	
Restricted Funds	1,827,600	1,827,600		1,896,200	1,896,200	
Federal Funds	2,350,100	2,350,100		1,955,300	1,955,300	
Regular Total Funds	10,899,700	10,899,700		10,720,100	10,720,100	
Continuing						
TOTAL FUNDS	10,899,700	10,899,700		10,720,100	10,720,100	
II. EXPENDITURE CATEGORY						
Personnel Costs	6,891,100	6,891,100		7,083,600	7,083,600	
Operating Expenses	3,491,600	3,491,600		3,519,500	3,519,500	
Grants, Loans, Benefits	477,000	477,000		77,000	77,000	
Capital Outlay	40,000	40,000		40,000	40,000	
TOTAL EXPENDITURES	10,899,700	10,899,700		10,720,100	10,720,100	
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	6,722,000	6,722,000		6,868,600	6,868,600	
Restricted Funds	1,827,600	1,827,600		1,896,200	1,896,200	
Federal Funds	2,350,100	2,350,100		1,955,300	1,955,300	
Regular Total Funds	10,899,700	10,899,700		10,720,100	10,720,100	
Continuing						
TOTAL BASE LEVEL	10,899,700	10,899,700		10,720,100	10,720,100	

**Fiscal Biennium 2004-2006
Budget Modification Report**

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General Operations

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs:

"Undistributed Moneys: Notwithstanding KRS 48.005, undistributed moneys received by a result of litigation with book suppliers shall be appropriated to the Department for Libraries and Archives for the benefit of libraries in the Commonwealth."

HOUSE REPORT

The House concurs with the Bill as Introduced.

E - Education Cabinet**Operating Budget****Libraries and Archives - Direct Local Aid**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	House Budget	Difference	Bill as Introduced	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	6,497,500	6,497,500		6,350,900	6,350,900	
Restricted Funds	9,000	9,000		9,000	9,000	
Federal Funds	424,000	424,000		424,000	424,000	
Regular Total Funds	6,930,500	6,930,500		6,783,900	6,783,900	
Continuing						
TOTAL FUNDS	6,930,500	6,930,500		6,783,900	6,783,900	
II. EXPENDITURE CATEGORY						
Operating Expenses	126,500	126,500		126,500	126,500	
Grants, Loans, Benefits	6,804,000	6,804,000		6,657,400	6,657,400	
TOTAL EXPENDITURES	6,930,500	6,930,500		6,783,900	6,783,900	
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	6,497,500	6,497,500		6,350,900	6,350,900	
Restricted Funds	9,000	9,000		9,000	9,000	
Federal Funds	424,000	424,000		424,000	424,000	
Regular Total Funds	6,930,500	6,930,500		6,783,900	6,783,900	
Continuing						
TOTAL BASE LEVEL	6,930,500	6,930,500		6,783,900	6,783,900	

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Direct Local Aid

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs:

"Per Capita Grants: Included in the above General Fund appropriation is \$3,919,500 in each fiscal year to award per capita grants in accordance with KRS 171.201."

HOUSE REPORT

The House concurs with the Bill as Introduced.

E - Education Cabinet**Operating Budget****School Facilities Construction Commission**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	House Budget	Difference	Bill as Introduced	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	91,246,900	91,246,900		102,844,300	103,721,500	877,200
Regular Total Funds	91,246,900	91,246,900		102,844,300	103,721,500	877,200
Continuing						
TOTAL FUNDS	91,246,900	91,246,900		102,844,300	103,721,500	877,200
II. EXPENDITURE CATEGORY						
Personnel Costs	219,700	219,700		224,800	224,800	
Operating Expenses	27,200	27,200		27,500	27,500	
Debt Service	91,000,000	91,000,000		102,592,000	103,469,200	877,200
TOTAL EXPENDITURES	91,246,900	91,246,900		102,844,300	103,721,500	877,200
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	91,246,900	91,246,900		102,844,300	102,844,300	
Regular Total Funds	91,246,900	91,246,900		102,844,300	102,844,300	
Continuing						
TOTAL BASE LEVEL	91,246,900	91,246,900		102,844,300	102,844,300	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE						
General Fund					877,200	877,200
TOTAL ADDITIONAL					877,200	877,200
V. ADDITIONAL BUDGET ITEMS						
2 NEW Debt Service - Bond Funds - Local School District 491						
ABR3450003 Provide debt service for unissued Bond Funds totaling \$7.0 million in FY 2005-2006 to support school number 950.						
General Fund					587,700	587,700
Project Total					587,700	587,700
3 NEW Debt Service - Bond Funds -Local School District 535						
ABR3450004 Provide debt service for unissued Bond Funds totaling \$3.4 million in FY 2005-2006 to support school number 020.						
General Fund					289,500	289,500
Project Total					289,500	289,500
TOTAL ADDITIONAL					877,200	877,200

**Fiscal Biennium 2004-2006
Budget Modification Report**

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School Facilities Construction Commission

BILL AS INTRODUCED

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

State salary/compensation and employment policy including increments, retirement, and health insurance and personnel complement are addressed in Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Debt Service: Included in the above General Fund appropriation is \$4,031,800 in fiscal year 2004-2005 and \$15,623,700 in fiscal year 2005-2006 in additional General Funds to: (a) Fulfill the commitment made by the 2000 Regular Session of the General Assembly for \$100,000,000 in bonded indebtedness for local school construction and renovation; (b) Fulfill the commitment made by the 2003 Regular Session of the General Assembly for an additional \$100,000,000 in bonded indebtedness for school construction and renovation; (c) Fulfill the commitment made by the 2003 Regular Session of the General Assembly to the Fayette County public school system for \$4,600,000 in bonded indebtedness; and (d) Fulfill the commitment made by the 2003 Regular Session of the General Assembly for \$110,000,000 in bonded indebtedness to address the needs of Urgent Need and Category 5 (worst condition) schools."

"Growth Nickel Levy: The Facilities Support Program of Kentucky is fully funded in the 2004-2006 fiscal biennium. Notwithstanding KRS 157.621(3), local school districts may exercise authority expressed in KRS 157.621(1) and (2)."

"School Facility Revenue: A local board of education may commit an equivalent tax rate not to exceed five cents in addition to the taxes levied in KRS 157.440(1)(b). Receipts from the levy shall be committed to debt service, new facilities, or major renovations of existing school facilities. The tax rate levied by the local board of education under this provision shall be made no later than October 1 of each odd-numbered year, and shall not be equalized with state funding. The levy shall be subject to recall."

"Urgent Need School Trust Fund: The Urgent Need School Trust Fund is established in the Finance and Administration Cabinet for the purpose of assisting school districts that have urgent and critical construction needs. The Urgent Need School Trust Fund shall be administered by the School Facilities Construction Commission. The fund may receive state appropriations, contributions, and grants from any source which shall be credited to the trust fund and invested until needed. All interest earned on the fund shall be retained in

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School Facilities Construction Commission

the trust fund. Notwithstanding KRS 45.229, moneys in the trust fund shall not lapse, but shall carry forward at the end of each fiscal year."

"Category 5 Buildings: Debt service assistance to each eligible district, as provided for in Part I, Operating Budget, of this Act, shall be determined by funding based on unmet need pursuant to KRS 157.620, calculated utilizing Cash Balances and Bonding Potential available for the project with the Kentucky Department of Education's Building Assessment document of March 4, 2003. These offers shall be administered in accordance with 750 KAR 1:010 where not in conflict with the language in this section."

HOUSE REPORT

The House concurs with the Bill as Introduced with the following changes:

The House amends a Part I, Operating Budget, language provision as follows:

"School Facility Revenue: A local board of education may commit an equivalent tax rate not to exceed five cents in addition to the taxes levied in KRS 157.440(1)(b). Receipts from the levy shall be committed to debt service, new facilities, or major renovations of existing school facilities. The tax rate levied by the local board of education under this provision shall be made no later than October 1 of each odd-numbered year, and shall not be equalized with state funding. The levy shall not be subject to recall."

"Category 5 Buildings: Debt service assistance to each eligible district, as provided for in Part I, Operating Budget, of this Act, shall be determined by funding based on unmet need pursuant to KRS 157.620, calculated utilizing Cash Balances and Bonding Potential available for the project with the Kentucky Department of Education's Building Assessment document of March 4, 2003. Pursuant to the Kentucky Department of Education's Building Assessment document of March 4, 2003, the project identified as "Sacramento Elem, Calhoun Renovation" shall be identified as Sacramento Renovation and shall be eligible to receive the project need. These offers shall be administered in accordance with 750 KAR 1:010 where not in conflict with the language in this section."

The House adds Part I, Operating Budget, language provisions as follows:

"Offers of Assistance: Notwithstanding KRS 157.622, a local school district may accumulate credit, subject to the availability of funds, for its unused state allocation for a period not to exceed eight years."

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School Facilities Construction Commission

"Facility Support: Notwithstanding KRS 157.620, local school district number 061 shall be authorized to utilize proceeds from the Facilities Support Program of Kentucky to support a roofing project at school number 030 without forfeiture of the district's participation in the School Facilities Construction Commission."

"Additional Offers of Assistance: Notwithstanding KRS 157.611 to 157.640, 157.650, 157.655, 157.660, or 157.665, the School Facilities Construction Commission is authorized to make an additional \$100,000,000 in offers of assistance during the 2004-2006 biennium in anticipation of debt service availability during the 2006-2008 biennium. No bonded indebtedness based on the above amount is to be incurred during the 2004-2006 biennium."

"Debt Service Assistance: Included in the above General Fund appropriation is \$587,700 in fiscal year 2005-2006 for debt service for \$6,965,600 in new bonding authority as provided in Part II, Capital Projects Budget, to support the replacement/renovation of school number 950 in local school district number 491. Additionally, included in the above General Fund appropriation is \$289,500 in fiscal year 2005-2006 for debt service for \$3,430,700 in new bonding authority as provided in Part II, Capital Projects Budget, to support the replacement/renovation of school number 020 in local school district number 535."

The House provides in Part II, Capital Projects, Bond Funds totaling \$6,965,600 to support local school district 491.

The House provides in Part II, Capital Projects, Bond Funds totaling \$3,430,700 to support local school district 535.

E - Education Cabinet**Capital Budget****School Facilities Construction Commission**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	House Budget	Difference	Bill as Introduced	House Budget	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
Bond Funds	67,735,000	78,131,300	10,396,300			
TOTAL CAPITAL	67,735,000	78,131,300	10,396,300			
II. CAPITAL PROJECTS						
1 School Facilities Construction Commission Reauthorization (\$121,724,700 Bond Funds)						
PRJ3450180						
General Fund						
Project Total						
2 Urgent Need School Trust Fund Reauthorization (\$55,284,000 Bond Funds)						
PRJ3450179						
General Fund						
Project Total						
3 Category 5 School Buildings Reauthorization (\$54,730,900 Bond Funds)						
PRJ3450178						
General Fund						
Project Total						
4 Offers of Assistance - Bond Funds						
PRJ3450183						
Bond Funds	67,735,000	67,735,000				
Project Total	67,735,000	67,735,000				
5 Local School District 491						
PRJ3450184						
Bond Funds		6,965,600	6,965,600			
Project Total		6,965,600	6,965,600			
6 Local School District 535						
PRJ3450185						
Bond Funds		3,430,700	3,430,700			
Project Total		3,430,700	3,430,700			
TOTAL CAPITAL	67,735,000	78,131,300	10,396,300			

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E - Education Cabinet**Operating Budget****Teachers' Retirement System**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	House Budget	Difference	Bill as Introduced	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	109,018,800	109,018,800		126,500,000	130,799,600	4,299,600
Restricted Funds	8,147,900	8,147,900		8,613,500	8,613,500	
Regular Total Funds	117,166,700	117,166,700		135,113,500	139,413,100	4,299,600
Continuing						
TOTAL FUNDS	117,166,700	117,166,700		135,113,500	139,413,100	4,299,600
II. EXPENDITURE CATEGORY						
Personnel Costs	6,719,200	6,719,200		7,145,600	7,145,600	
Operating Expenses	1,346,000	1,346,000		1,385,200	1,385,200	
Grants, Loans, Benefits	109,018,800	109,018,800		126,500,000	130,799,600	4,299,600
Capital Outlay	82,700	82,700		82,700	82,700	
TOTAL EXPENDITURES	117,166,700	117,166,700		135,113,500	139,413,100	4,299,600
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	109,018,800	109,018,800		126,500,000	126,500,000	
Restricted Funds	8,147,900	8,147,900		8,613,500	8,613,500	
Regular Total Funds	117,166,700	117,166,700		135,113,500	135,113,500	
Continuing						
TOTAL BASE LEVEL	117,166,700	117,166,700		135,113,500	135,113,500	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE						
General Fund					4,299,600	4,299,600
TOTAL ADDITIONAL					4,299,600	4,299,600
V. ADDITIONAL BUDGET ITEMS						
1 NEW State Medical Insurance Fund Stabilization Contribution						
ABR5600006	Provide funds to support the State Medical Insurance Fund Stabilization Contribution from 2004 Regular Session HB 434.					
General Fund					4,249,600	4,249,600
Project Total					4,249,600	4,249,600
2 NEW Supplemental Health Insurance Funding						
ABR5600005	Provide funds to support a premium subsidy for under age 65 spouses with KTRS retiree marriage partners over age 65.					
General Fund					50,000	50,000
Project Total					50,000	50,000

E - Education Cabinet**Operating Budget****Teachers' Retirement System****TOTAL ADDITIONAL**

Fiscal Year 2004-2005			Fiscal Year 2005-2006		
Bill as Introduced	House Budget	Difference	Bill as Introduced	House Budget	Difference
				4,299,600	4,299,600

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Teachers' Retirement System

BILL AS INTRODUCED

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

State salary/compensation and employment policy including increments, retirement, and health insurance and personnel complement are addressed in Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"State Retirement Obligations: Notwithstanding KRS 161.550, General Fund moneys are appropriated to comply with the obligations of the state under the Teachers' Retirement System statutes as provided in KRS 161.220 to 161.716."

"Administrative Costs: In accordance with KRS 161.420, in each fiscal year an amount not greater than four percent of the receipts of the state accumulation fund shall be set aside into the expense fund or expended for the administration of the retirement system. No General Fund moneys are provided in fiscal year 2004-2005 or fiscal year 2005-2006 for the cost of administration."

"Amortization of Sick Leave: Included in the above General Fund appropriation is \$3,669,700 in fiscal year 2004-2005 and \$8,009,200 in fiscal year 2005-2006 to provide the cost of amortizing the requirements of KRS 161.155 (sick leave) for members retiring during the 2004-2006 fiscal biennium."

"Fiscal Year 2001-2002 and 2002-2003 Underappropriations: Notwithstanding KRS 161.550, included in the above General Fund appropriation is \$9,282,500 in fiscal year 2005-2006 to be applied toward underappropriations during fiscal year 2001-2002 and fiscal year 2002-2003."

"Highly Skilled Educators' Retirement Benefits: Notwithstanding KRS Chapters 158 and 161, salary supplements received by persons selected as highly skilled educators on or after July 1, 2000, shall not be included in the total salary compensation for any retirement benefits to which the employee may be entitled."

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Teachers' Retirement System

"Ad-hoc Cost of Living Increase for Retirees: Included in the above General Fund appropriation is \$3,996,200 in fiscal year 2004-2005 and \$7,706,900 in fiscal year 2005-2006 to provide a cost-of-living increase which is representative of the amount appropriated in 2004 (Extra. Sess.) Ky. Acts ch. 1, sec. 14 for this purpose and is not to be appropriated in duplication."

"Health Insurance Funding: Included in the above General Fund appropriation is \$2,228,000 in fiscal year 2004-2005 to provide a subsidy for retired members who choose couple, family, or parent-plus coverage, which is representative of the amount appropriated in 2004 (Extra. Sess.) Ky. Acts ch. 1, sec. 14 for this purpose and is not to be appropriated in duplication. Included in the above General Fund appropriation is \$5,669,500 in fiscal year 2005-2006 to provide an additional subsidy for retired members who choose couple, family, or parent-plus coverage."

HOUSE REPORT

The House concurs with the Bill as Introduced with the following changes:

The House adds Part I, Operating Budget, language provisions as follows:

"Supplemental Health Insurance Funding: Included in the above General Fund appropriation is \$50,000 in fiscal year 2005-2006 for the retirement system to provide a subsidy for those retired state members over age 65 that insure their spouse under age 65 through the state health insurance plan for Plan year 2006. The amount of the subsidy for those over 65 shall not exceed the amount of the subsidy for members under age 65 that choose couple, family or parent plus coverage."

"State Medical Insurance Fund Stabilization Contribution: Included in the above General Fund appropriation is \$4,249,600 in fiscal year 2005-2006 to support the State Medical Insurance Fund Stabilization Contribution."

The House provides revised funding as reflected in Part V, Additional Budget Items of this report.

E - Education Cabinet**Capital Budget****Teachers' Retirement System**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	House Budget	Difference	Bill as Introduced	House Budget	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
Restricted Funds				2,000,000	2,000,000	
TOTAL CAPITAL				2,000,000	2,000,000	

II. CAPITAL PROJECTS

1	KTRS Pension Management System					
PRJ5600001						
Restricted Funds				2,000,000	2,000,000	
Project Total				2,000,000	2,000,000	
TOTAL CAPITAL				2,000,000	2,000,000	

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E - Education Cabinet**Operating Budget****Office for the Blind**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	House Budget	Difference	Bill as Introduced	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	1,290,300	1,290,300		1,306,300	1,306,300	
Restricted Funds	1,847,200	1,847,200		1,833,900	1,833,900	
Federal Funds	8,210,400	8,210,400		8,638,400	8,638,400	
Regular Total Funds	11,347,900	11,347,900		11,778,600	11,778,600	
Continuing						
TOTAL FUNDS	11,347,900	11,347,900		11,778,600	11,778,600	
II. EXPENDITURE CATEGORY						
Personnel Costs	6,185,500	6,185,500		6,187,900	6,187,900	
Operating Expenses	1,621,300	1,621,300		1,619,200	1,619,200	
Grants, Loans, Benefits	3,510,500	3,510,500		3,940,900	3,940,900	
Capital Outlay	30,600	30,600		30,600	30,600	
TOTAL EXPENDITURES	11,347,900	11,347,900		11,778,600	11,778,600	
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	1,290,300	1,290,300		1,306,300	1,306,300	
Restricted Funds	1,847,200	1,847,200		1,833,900	1,833,900	
Federal Funds	8,210,400	8,210,400		8,638,400	8,638,400	
Regular Total Funds	11,347,900	11,347,900		11,778,600	11,778,600	
Continuing						
TOTAL BASE LEVEL	11,347,900	11,347,900		11,778,600	11,778,600	

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Office for the Blind

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

HOUSE REPORT

The House concurs with the Bill as Introduced.

E - Education Cabinet**Operating Budget****Employment and Training**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	House Budget	Difference	Bill as Introduced	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
Restricted Funds	4,870,000	4,870,000		3,393,900	3,393,900	
Federal Funds	797,537,600	797,537,600		798,437,200	798,437,200	
Regular Total Funds	802,407,600	802,407,600		801,831,100	801,831,100	
Continuing						
TOTAL FUNDS	802,407,600	802,407,600		801,831,100	801,831,100	
II. EXPENDITURE CATEGORY						
Personnel Costs	46,437,700	46,437,700		45,446,100	45,446,100	
Operating Expenses	11,338,200	11,338,200		11,403,800	11,403,800	
Grants, Loans, Benefits	744,600,300	744,600,300		744,949,800	744,949,800	
Capital Outlay	31,400	31,400		31,400	31,400	
TOTAL EXPENDITURES	802,407,600	802,407,600		801,831,100	801,831,100	
III. BASE LEVEL BUDGET BY FUND SOURCE						
Restricted Funds	4,870,000	4,870,000		3,393,900	3,393,900	
Federal Funds	797,537,600	797,537,600		798,437,200	798,437,200	
Regular Total Funds	802,407,600	802,407,600		801,831,100	801,831,100	
Continuing						
TOTAL BASE LEVEL	802,407,600	802,407,600		801,831,100	801,831,100	

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Employment and Training

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

Executive Order 2004-725 combines appropriation units "Employment Services" and "Training and Reemployment" in one appropriation unit "Employment and Training".

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer from the Unemployment Insurance Penalty and Interest Account totaling \$186,100 in fiscal year 2004-2005.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Unemployment Insurance Penalty and Interest Account: Notwithstanding KRS 341.835, funds in the amount of \$2,700,000 from the Unemployment Insurance Penalty and Interest Account in the Unemployment Compensation Administration Fund shall be used during each fiscal year by the Department for Employment Services to operate employment, training, and unemployment insurance programs."

"Facility Replacement and Renovation Program: The General Assembly authorizes the Department for Employment Services to develop and implement a Facility Replacement and Renovation Program to improve the quality of facilities used by the Department and its clients, and to reduce the departmental reliance on lease-rental properties. Proceeds from the sale, transfer, or other disposition of existing facilities may be expended toward the purchase, construction, renovation, equipping, and furnishing of replacement

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Employment and Training

facilities. Expenditures authorized by this provision are limited to the use of funds derived from the sale of Cabinet-owned facilities, which equity rights are shared between both the state and national government."

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes a language provision as follows:

"Facility Replacement and Renovation Program: The General Assembly authorizes the Office of Employment and Training to develop and implement a facility replacement and renovation program to improve the quality of Department of Workforce Investment facilities used by the Office of Employment and Training and its clients, and to reduce departmental reliance on lease/rental properties. The Office of Employment and Training is directed to coordinate this program with the Secretary of the Finance and Administration Cabinet. Proceeds acquired from the sale, transfer, or other disposition of existing facilities may be expended toward the purchase, construction, renovation, and equipping and furnishing of replacement facilities. Expenditures authorized by this provision are limited to the use of funds solely derived from the sale of Department-owned facilities, which equity rights are shared between both the state and the federal government."

HOUSE REPORT

The House concurs with the Bill as Introduced with the following change:

The House revises the State/Executive Branch Budget Bill, Part I, Operating Budget, as follows

"Unemployment Insurance Penalty and Interest Account: Notwithstanding KRS 341.835, funds in the amount of \$2,700,000 from the Unemployment Insurance Penalty and Interest Account in the Unemployment Compensation Administration Fund shall be used during each fiscal year by the Office of Employment and Training to operate employment, training, and unemployment insurance programs."

"Facility Replacement and Renovation Program: The General Assembly authorizes the Office of Employment and Training to develop and implement a Facility Replacement and Renovation Program to improve the quality of facilities used by the Office and its clients, and to reduce the Office's reliance on lease-rental properties. Proceeds from the sale, transfer, or other disposition of existing facilities may be expended toward the purchase, construction, renovation, equipping, and furnishing of replacement facilities. Expenditures authorized by this provision are limited to the use of funds derived from the sale of Cabinet-owned facilities, which equity rights are shared between both the state and national government."

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E - Education Cabinet**Operating Budget****Career and Technical Education**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	House Budget	Difference	Bill as Introduced	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	25,373,700	25,373,700		26,098,700	26,098,700	
Restricted Funds	20,232,800	20,232,800		19,970,500	19,970,500	
Federal Funds	15,179,700	15,179,700		15,179,700	15,179,700	
Regular Total Funds	60,786,200	60,786,200		61,248,900	61,248,900	
Continuing						
TOTAL FUNDS	60,786,200	60,786,200		61,248,900	61,248,900	
II. EXPENDITURE CATEGORY						
Personnel Costs	34,262,300	34,262,300		35,106,300	35,106,300	
Operating Expenses	9,832,300	9,832,300		9,595,500	9,595,500	
Grants, Loans, Benefits	16,108,600	16,108,600		16,007,900	16,007,900	
Capital Outlay	583,000	583,000		539,200	539,200	
TOTAL EXPENDITURES	60,786,200	60,786,200		61,248,900	61,248,900	
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	25,373,700	25,373,700		26,098,700	26,098,700	
Restricted Funds	20,232,800	20,232,800		19,970,500	19,970,500	
Federal Funds	15,179,700	15,179,700		15,179,700	15,179,700	
Regular Total Funds	60,786,200	60,786,200		61,248,900	61,248,900	
Continuing						
TOTAL BASE LEVEL	60,786,200	60,786,200		61,248,900	61,248,900	

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Career and Technical Education

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs:

"Participation in the Education Technology Program by Area Vocational Education Centers: Area Vocational Education Centers shall be fully eligible to participate in the Kentucky Education Technology System. Notwithstanding KRS 157.650, 157.655, 157.660, and 157.665, the School Facilities Construction Commission, in consultation with the Kentucky Board of Education and the Department of Education, shall develop administrative regulations which identify a methodology by which the average daily attendance for Area Vocational Education Centers may be equated to the average daily attendance of other local school districts in order that they may receive their respective distributions of these funds. The School Facilities Construction Commission shall include Area Vocational Education Centers in any offers of assistance to local school districts for technology assistance during the 2004-2006 fiscal biennium."

HOUSE REPORT

The House concurs with the Bill as Introduced.

E - Education Cabinet**Operating Budget****Vocational Rehabilitation**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	House Budget	Difference	Bill as Introduced	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	12,294,300	12,294,300		12,422,300	12,672,300	250,000
Restricted Funds	2,952,900	2,952,900		2,893,200	2,893,200	
Federal Funds	45,513,000	45,513,000		47,194,000	47,194,000	
Regular Total Funds	60,760,200	60,760,200		62,509,500	62,759,500	250,000
Continuing						
TOTAL FUNDS	60,760,200	60,760,200		62,509,500	62,759,500	250,000
II. EXPENDITURE CATEGORY						
Personnel Costs	25,522,400	25,522,400		25,582,800	25,582,800	
Operating Expenses	4,953,900	4,953,900		4,955,400	4,955,400	
Grants, Loans, Benefits	30,249,900	30,249,900		31,873,300	32,123,300	250,000
Debt Service				64,000	64,000	
Capital Outlay	34,000	34,000		34,000	34,000	
TOTAL EXPENDITURES	60,760,200	60,760,200		62,509,500	62,759,500	250,000
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	12,294,300	12,294,300		12,422,300	12,422,300	
Restricted Funds	2,952,900	2,952,900		2,893,200	2,893,200	
Federal Funds	45,513,000	45,513,000		47,194,000	47,194,000	
Regular Total Funds	60,760,200	60,760,200		62,509,500	62,509,500	
Continuing						
TOTAL BASE LEVEL	60,760,200	60,760,200		62,509,500	62,509,500	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE						
General Fund					250,000	250,000
TOTAL ADDITIONAL					250,000	250,000
V. ADDITIONAL BUDGET ITEMS						
1 EXPAN Interpreter Services and Deaf Students Support						
ABR5510009 Interpreter services and deaf students support at postsecondary institutions.						
General Fund					250,000	250,000
Project Total					250,000	250,000
TOTAL ADDITIONAL					250,000	250,000

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Vocational Rehabilitation

BILL AS INTRODUCED

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer, includes a transfer from Agency Revenue Fund totaling \$73,900 in fiscal year 2004-2005.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes a language provision that directs:

"Debt Service: Included in the above General Fund appropriation is \$64,000 in fiscal year 2005-2006 for debt service for new bonds as set forth in Part II, Capital Projects Budget, of this Act."

HOUSE REPORT

The House concurs with the Bill as Introduced with the following changes:

The House provides in Part I, Operating Budget, General Fund support totaling \$250,000 in fiscal year 2005-2006 for interpreter services and support to deaf students at postsecondary institutions.

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to add language provisions as follows:

"Interpreter Services and Deaf Students Support: Included in the above General Fund appropriation is \$250,000 in fiscal year 2005-2006 for interpreter services and deaf students support at postsecondary institutions."

"Personnel Cap: A personnel cap of 488 positions is authorized."

E - Education Cabinet**Capital Budget****Vocational Rehabilitation**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	House Budget	Difference	Bill as Introduced	House Budget	Difference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
Bond Funds	1,320,000	1,320,000				
TOTAL CAPITAL	1,320,000	1,320,000				
II. CAPITAL PROJECTS						
1						
Carl D. Perkins Rehabilitation Center Roof Replacement - Johnson County						
PRJEDUC1094						
Bond Funds	1,320,000	1,320,000				
Project Total	1,320,000	1,320,000				
TOTAL CAPITAL	1,320,000	1,320,000				

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E - Education Cabinet**Operating Budget****Education Professional Standards Board**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	Bill as Introduced	House Budget	Difference	Bill as Introduced	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	9,870,800	9,870,800		10,312,000	10,312,000	
Restricted Funds	829,600	829,600		829,600	1,129,600	300,000
Federal Funds	4,379,200	4,379,200		4,379,200	4,379,200	
Regular Total Funds	15,079,600	15,079,600		15,520,800	15,820,800	300,000
Continuing	842,400	842,400				
TOTAL FUNDS	15,922,000	15,922,000		15,520,800	15,820,800	300,000
II. EXPENDITURE CATEGORY						
Personnel Costs	2,908,300	2,908,300		3,002,100	3,002,100	
Operating Expenses	3,710,300	3,710,300		3,543,600	3,543,600	
Grants, Loans, Benefits	9,303,400	9,303,400		8,975,100	9,275,100	300,000
TOTAL EXPENDITURES	15,922,000	15,922,000		15,520,800	15,820,800	300,000
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	9,870,800	9,870,800		10,312,000	10,312,000	
Restricted Funds	829,600	829,600		829,600	1,129,600	300,000
Federal Funds	4,379,200	4,379,200		4,379,200	4,379,200	
Regular Total Funds	15,079,600	15,079,600		15,520,800	15,820,800	300,000
Continuing	842,400	842,400				
TOTAL BASE LEVEL	15,922,000	15,922,000		15,520,800	15,820,800	300,000

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Education Professional Standards Board

BILL AS INTRODUCED

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

State salary/compensation and employment policy including increments, retirement, and health insurance and personnel complement are addressed in Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V, Funds Transfer includes a transfer from the Education Professional Standards Board, Agency Revenue Fund of \$450,000 in fiscal year 2004-2005.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"National Board of Teaching Standards Certification: Notwithstanding KRS 161.134, up to \$725,000 in fiscal year 2004-2005 and \$800,000 in fiscal year 2005-2006 is provided for National Board of Teaching Standards Certification from the General Fund."

"Employment of Leadership Personnel: Notwithstanding KRS 18A.005 to 18A.200, the Education Professional Standards Board shall have the sole authority to determine the employees of the Education Professional Standards Board staff who are exempt from the classified service and to set their compensation comparable to the competitive market."

HOUSE REPORT

The House concurs with the Bill as Introduced with the following change:

The House provides revised funding as reflected in Part III, Base Level Budget by Fund Source of this report.